United Nations A/C.5/67/SR.4

General Assembly
Sixty-seventh session

Official Records

Distr.: General
7 November 2012

Original: English

Fifth Committee

Summary record of the 4th meeting
Held at Headquarters, New York, on Tuesday, 9 October 2012, at 10 a.m.

Chair: Mr. Berger ..... (Germany)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Kelapile

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The meeting was called to order at 10.10 a.m.

Agenda item 134: Scale of assessments for the apportionment of the expenses of the United Nations (*continued*) (A/67/11)

Draft resolution A/C.5/67/L.2

1. *Draft resolution A/C.5/67/L.2 was adopted.*

Agenda item 145: Scale of assessments for the apportionment of the expenses of United Nations peacekeeping operations (A/67/224)

2. **Mr. Ramanathan** (Deputy Controller, Office of Programme Planning, Budget and Accounts), introducing the report of the Secretary-General on the implementation of General Assembly resolutions 55/235 and 55/236 (A/67/224), said that, on the basis of past practice, the Secretary-General had updated the composition of levels for the periods 2004-2006, 2007-2009 and 2010-2012 using the average data on gross national income (GNI) for the six-year base period used by the Committee on Contributions for the scale of assessments for those periods. Accordingly, data for the six-year period 2005-2010 had been used in updating the composition of levels for the period 2013-2015. The composition of levels was updated on the basis of the provisions of resolution 55/235 and each Member State's average per capita GNI for 2005-2010 in relation to the membership average of $8,337.50.

3. The updated composition of levels, subject to adjustments arising from the General Assembly's review of the structure of contribution levels, would be used together with the scale of assessments for 2013-2015 to establish each Member State's peacekeeping rate of assessment. It would not be possible to determine the rates of assessment for peacekeeping for the period 2013-2015 until a new regular budget scale was adopted by the General Assembly. However, in order to facilitate the Assembly's review of the structure of contribution levels for peacekeeping operations, the report presented the peacekeeping rates of assessment corresponding to the scale of assessments for the period 2013-2015 included for information in the report of the Committee on Contributions.

4. South Sudan had been admitted to membership of the United Nations on 14 July 2011. The Committee on Contributions had recommended to the Assembly that the regular budget rate of assessment of South Sudan should be established at 0.003 per cent for 2011 and 2012. In order to determine the rate of assessment for peacekeeping operations, the contribution level for South Sudan for 2011 and 2012 would also have to be decided.

5. **Mr. Mihoubi** (Algeria), speaking on behalf of the Group of 77 and China, said that peacekeeping was an important function of the United Nations and peacekeeping operations should be provided with all the necessary resources to carry out their mandates. In accordance with the Ministerial Declaration adopted by the Group on 28 September 2012, the Group considered that the permanent members of the Security Council should continue to shoulder all of their respective premiums for peacekeeping financing, in view of their special responsibilities for the maintenance of peace and security. It was not acceptable that some permanent members were seeking to shift part of their fair share to developing countries. The peacekeeping scale should also make an explicit and meaningful distinction between developed and developing countries. The clear difference in developing countries' capacity to pay as well as the particular and difficult circumstances that many developing countries with small populations faced meant that they should not be assigned to the same level of contribution as developed countries on the basis of their per capita income. Special consideration should also be given to least developed countries, which were often directly concerned by peacekeeping operations.

6. The Group was profoundly concerned that the automatic application of the current system of discounts had resulted in a situation whereby some developing countries had been assigned to level B, the de facto level for the developed world, and forced to relinquish their discounts. Bearing in mind that no developing country should be classified above level C, the anomalies in the current system of discounts must be corrected without delay so that it could be used in the preparation of future peacekeeping scales.

7. Full and timely payment by Member States of their assessed contributions to the budgets of peacekeeping operations was a collective responsibility. The Group stood ready to assume its obligations under a fair and just system of discounts, one that took fully into account the established principles governing the apportionment of the expenses of peacekeeping operations.

8. Negotiations on the peacekeeping scale should be conducted in an inclusive and transparent manner so as to uphold the legitimacy and competency of the Fifth Committee as the sole Main Committee of the General Assembly entrusted with responsibilities for administrative, financial and budgetary matters. The Group was strongly opposed to decision-making in small groups and to the imposition of conditions on negotiation.

9. **Ms. Bethel** (Bahamas), speaking on behalf of the Caribbean Community (CARICOM), said that the scale of assessments for financing peacekeeping operations should take into account the particular circumstances of small island developing States and other developing countries that had small populations and a relatively high per capita income. Per capita gross domestic product (GDP) and GNI should not be used as the predominant measure in determining the levels used for establishing rates of assessment for peacekeeping operations. CARICOM would oppose any attempt to reass gn developing countries to a different level or to eliminate level C as contrary to the principle of capacity to pay and of fair and just burden-sharing. No developing country should be categorized above level C of the peacekeeping scale and there should be a clear differentiation between the financial responsibilities of developed and developing countries.

10. CARICOM would also oppose any changes to the current methodology for the preparation of the scale of assessments that sought to increase the contributions of developing countries. She called for all discussions to be efficient, pragmatic, inclusive and in line with the highest standards of transparency, and to take place within the appropriate framework, namely the Committee. It was hoped that the amicable negotiations would establish quantitative parameters that gave true definition to the qualitative considerations of CARICOM members.

11. Corrective measures should be taken to restore the balance between developed and developing countries, and protection must be afforded to small, vulnerable countries.

12. **Mr. Al-Ghamdi** (Saudi Arabia), speaking on behalf of the Gulf Cooperation Council (GCC), said that multidimensional peacekeeping operations fulfilled a range of purposes, from maintaining international peace and security to protecting human rights and promoting the rule of law, and should therefore be provided with sufficient resources to perform the tasks assigned to them.

13. The general principles governing the financing of peacekeeping operations were laid down in General Assembly resolution 55/235; the special responsibilities of the permanent members of the Security Council must be reflected in the scale, which should also take into account the limited capacity of economically less developed countries.

14. The Gulf Cooperation Council was deeply concerned that the automatic application of the current system of discounts had resulted in a situation whereby some developing countries had been assigned to level B, the de facto level for the most advanced countries, and stressed that no member of the Group of 77 and China that was not a permanent member of the Security Council should be placed above level C. All negotiations on the scale should be conducted in a transparent manner within the Committee.

15. **Mr. Cabactulan** (Philippines), speaking on behalf of the Association of Southeast Asian Nations (ASEAN), said that all Member States should fulfil their financial obligations to the United Nations to ensure that it was provided with the necessary resources to undertake peacekeeping operations. The contribution rates of most developing countries, including ASEAN member States, would increase based on the current methodology, while the contribution rates of many developed countries would decrease. However, the permanent members of the Security Council had special responsibilities for the maintenance of peace and security that must be taken into consideration when determining their contributions to financing peacekeeping operations. Under the current methodology, those States absorbed the discounts applied to Member States with limited capacity to pay. The permanent members of the Security Council should continue to be assessed at a higher rate for peacekeeping operations than for the regular budget.

16. The special circumstances of developing countries, which often had small, vulnerable economies and misleadingly high per capita incomes owing to their small populations, should be taken into account when establishing the levels of contribution for peacekeeping operations. No developing country should be categorized above level C, in accordance with the principle that there should be a clear

differentiation between the responsibilities of developed and developing countries and in recognition of developing countries' limited capacity to pay. However, the automatic movement of developing countries into level B, a category for developed countries, went against those very principles. ASEAN member States therefore called for the reassignment of all developing countries to level C or below.

17. **Mr. Presutti** (Observer for the European Union), speaking also on behalf of the acceding country Croatia; the candidate countries Iceland, Montenegro, Serbia and the former Yugoslav Republic of Macedonia; the stabilization and association process countries Albania and Bosnia and Herzegovina; and, in addition, Georgia and the Republic of Moldova, said that the member States of the European Union contributed personnel and financial resources to United Nations peacekeeping operations and would continue to do all that was necessary to ensure that such operations were effective. Funding the Organization was the joint responsibility of all its Members. As the largest collective contributor to the United Nations, the European Union stressed the importance of making sound decisions on the scales of assessments for both the regular budget and peacekeeping operations, thereby ensuring the sustainability of the Organization in line with the Union's vision of a strong and efficient United Nations at the apex of the international system.

18. The peacekeeping rates of assessment should reflect Member States' capacity to pay and the special responsibility of the permanent members of the Security Council. They should also be organized in such a way as to encourage all Member States to take responsibility for the effective management and responsible budgeting of peacekeeping missions. The level of surcharge and contributions should be sustainable. The European Union stood ready to review the structure of contribution levels in the light of those principles.

19. It was essential that any discounts should be based on objective and comparable criteria, which was currently not the case for those countries in level C. A fresh analysis could prove beneficial in ensuring that the scale better reflected the principle of capacity to pay. The European Union would also welcome offers from Member States in all peacekeeping levels to move up to a higher category voluntarily, following the example of a number of countries.

20. **Mr. Siah** (Singapore) said that, as a small country with few resources, Singapore could not make substantial military or financial contributions to the Organization's peacekeeping operations. Nonetheless, it had paid its assessed contributions in full, on time and without conditions. In a world where power was usually associated with military might, economic strength and population size, it was easy to forget that small States formed the majority of the United Nations membership. The unique economic, structural and geographical challenges of small States could not be ignored and it should be recognized that a majority of Member States might have difficulty contributing because of their size.

21. The special responsibilities of the permanent members of the Security Council for collective security should underpin any discussion of the peacekeeping scale. Those members, by virtue of their permanent status and veto power, had greater influence than other Member States and were obliged to accept the concomitant responsibilities. Therefore, as long as there were permanent members of the Security Council, there should always be a level A in the system of discounts for the peacekeeping scale. His delegation was concerned that some permanent members would like to reduce or do away with the discounts enjoyed by some countries, while retaining all the benefits of their privileged permanent membership. If the modest costs of maintaining a fair peacekeeping scale was truly so onerous to the Security Council's permanent members, they should consider expanding the permanent membership of the Council to allow responsibilities to be distributed more equitably.

22. The current structure of the peacekeeping scale, with its 10 levels of contribution, had been developed after painstaking negotiations at the fifty-fifth session of the General Assembly. At that time, his country had indicated that it would support a peacekeeping scale that did not disadvantage any country or group of countries. His Government believed that the 10 contribution levels and the system of discounts must be retained to reflect the different responsibilities and stages of development of Member States, and was firmly opposed to any change to the current system that would force countries to accept further reductions in their discounts. There must be a clear acknowledgement of the challenges faced by small developing countries. It was not equitable or acceptable for developing countries to be automatically

assigned to level B solely on the basis of per capita incomes.

23. **Mr. Dintersmith** (United States of America) said that, although his country was a staunch supporter of United Nations peacekeeping operations and the largest financial contributor, it was concerned that its share of peacekeeping budgets would increase to over 27.1 per cent and would strongly oppose any efforts that would unfairly burden his country with additional assessments.

24. The system of discounts applied when calculating the peacekeeping scale of assessments was based on the economic indicators used to identify least developed countries and GNI. The exception to that rule was level C, which comprised five wealthy countries. He stressed that all Member States must pay their fair share of the cost of the United Nations peacekeeping operations under the scale of assessment for 2013-2015.

25. **Mr. Yamamoto** (Japan) said that, as the Organization's second largest contributor, Japan attached great importance to both the regular budget and the peacekeeping scales. His country had continued to pay its dues despite its difficult economic situation. Since the peacekeeping scale was based on the regular budget scale, discussion of the two was intimately linked.

26. In addition to the fundamental principle of capacity to pay, the principle of responsibility to pay should also be borne in mind when discussing the peacekeeping scale.

27. **Mr. Wolfe** (Jamaica) said that, as a contributor of police officers to United Nations peacekeeping operations around the world, his country believed that those operations should be provided with all the necessary resources and that any reduction in resources should not result in a narrowing of crucial and highly valued activities. Although the financing of peacekeeping operations was the collective responsibility of all States Members, the scale of assessments should reflect the principles of capacity to pay and the special responsibilities of the permanent members of the Security Council for the maintenance of peace and security. It was therefore not a fair or balanced reflection of economic realities to place developing countries above level C. Developing countries, with small, open and vulnerable economies could not and should not be expected to shoulder the same burden as developed countries. That was particularly the case for middle-income countries, like Jamaica, whose debt to GDP ratios limited their fiscal space.

28. **Mr. Haniff** (Malaysia) emphasized the special responsibilities of the permanent members of the Security Council for the maintenance of peace and security. It would be inappropriate for those States to seek to shift any part of their fair share onto developing countries.

29. No developing countries should be categorized in the same contribution level as developed countries on the basis of per capita income. All discrimination must be avoided when apportioning peacekeeping expenses among developing countries. The automatic movement of countries, particularly small island developing States, from level C to level B under the current methodology was also a cause for concern. The system should reflect a fair and just distribution of discounts among developing countries, according to their limited capacity to pay.

30. As in previous years, his country's assessed contribution would probably increase for the period 2013-2015. His delegation hoped that the deliberations on the scale of assessments for peacekeeping operations would be conducted in an open, inclusive and transparent manner within the Committee.

31. **Mr. Tuah** (Brunei Darussalam) said that like other small developing States, his delegation was concerned at the pressure being brought to bear by certain countries to eliminate level C from the levels of contribution for peacekeeping operations and to move all developing countries with a sufficiently high per capita GNI to level B. The peacekeeping scale should continue to uphold the principle of explicit and meaningful distinction between developed and developing countries. Developing countries with relatively high per capita GNI and small populations should not be placed in the same level as developed countries on the basis of per capita income.

Agenda item 139: Administrative and budgetary coordination of the United Nations with the specialized agencies and the International Atomic Energy Agency

Budgetary and financial situation of the organizations of the United Nations system (A/67/215)

32. **Mr. Herman** (United Nations System Chief Executives Board for Coordination), introducing the note by the Secretary-General transmitting the statistical report of the United Nations System Chief Executives Board for Coordination (CEB) on the budgetary and financial situation of the organizations of the United Nations system (A/67/215), said that the report was the only system-wide source of financial statistics for the organizations of the United Nations system based on official data contained in the organizations' audited financial statements.

33. In response to the demand for system-wide coherence, as expressed in resolution 63/311, the CEB secretariat had worked closely with the Department of Economic and Social Affairs to harmonize data collection and reporting processes. As a result, data collected for the CEB statistical reporting exercise were now used as the basis for the report of the Department of Economic and Social Affairs on operational activities for development of the United Nations system. By establishing one data collection mechanism, the reporting workload of the United Nations system had been greatly reduced. Participation in the July 2012 survey had been excellent, with 33 organizations responding, including, for the first time, the United Nations Office for Project Services (UNOPS) and the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women).

34. The CEB secretariat was also continuously working to enhance the transparency and availability of data. Therefore, the tables and data published in the report, together with some of the analysis of the figures presented and a number of charts on trends across recent years, by country, by organization and by donor type, would be made available on the CEB secretariat's website shortly. The CEB database now contained data covering five consecutive bienniums.

35. As a result of the ongoing implementation of the International Public Sector Accounting Standards (IPSAS), the report would be prepared and presented annually in future, thus improving the timeliness of data. Furthermore, in an effort to improve transparency, revenue would now be reported under four categories, namely assessed contributions, non-earmarked voluntary contributions, earmarked voluntary contributions and revenue from other activities. The current report featured a new table on total expenses for 2010-2011 by major programme category, including development assistance; humanitarian assistance; technical cooperation; peacekeeping operations; and standard-setting, treaty-related and knowledge-creation activities.

Agenda item 130: Programme budget for the biennium 2012-2013

United Nations Office for Partnerships (A/67/165)

36. **Mr. Rich** (Officer-in-Charge, United Nations Office for Partnerships), introducing the report of the Secretary-General relating to the activities of the United Nations Office for Partnerships (UNOP) in 2011, said that it covered the activities of the United Nations Fund for International Partnerships (UNFIP), the United Nations Democracy Fund (UNDEF) and Partnership Advisory Services and Outreach. UNFIP had so far received a total of approximately $1.2 billion in additional resources to the Organization for use in the four main areas of the United Nations Foundation's work: women and children's health; women and population; the environment; and peace, security and human rights. Annex I to the report illustrated the distribution of 524 projects, involving 43 United Nations bodies, implemented in 124 countries.

37. In 2011, UNDEF had followed its annual programme of assessing project applications, conducting quality control and consulting with stakeholders before submitting its recommended proposals to the Secretary-General for approval. The fifth round of funding applications had resulted in a list of 65 approved projects. More than 2,800 applications had been received for the sixth round of funding, the vast majority from civil society organizations in Africa, Asia, Europe and the Americas.

38. Partnership Advisory Services and Outreach had continued to provide UNOP advice to companies in the private sector, foundations, civil society organizations,

academic institutions and philanthropists in connection with poverty reduction, gender equality, the empowerment of women and girls, education and health in the global South. UNOP had also been entrusted with assisting the Permanent Memorial Committee on the project to erect a permanent memorial monument at the United Nations Headquarters to the Victims of Slavery and the Trans-Atlantic Slave Trade.

39. Lastly, he informed the Committee that the Secretary-General would make a proposal to the General Assembly for the creation of a mechanism to strengthen the United Nations capacities to build broad, multi-stakeholder partnerships to deliver the goals mandated by Member States. The Secretary-General was in the process of conducting a review of current practices of the many United Nations bodies engaged in partnership work in order to present the most coherent and effective mechanism for the General Assembly's consideration. The initial findings of that review would be presented during the current session.

The meeting rose at 11.30 a.m.